

DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICES



BRIAN SCHWEITZER
GOVERNOR

JOAN MILES
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STATE OF MONTANA

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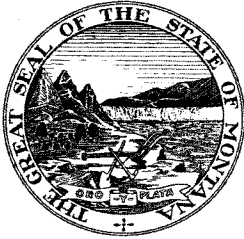
Date: January 31, 2007
To: Edith Clark, Chair
Health and Human Services Committee
From: John Chappuis, State Medicaid Director
Subject: HIFA Waiver Reallocation

The Department would like to provide the following options for the committee to consider if CMS will not allow the Department to cover children on the CHIP benefit or if due to CHIP reauthorizations, the additional coverage of CHIP children is not necessary. As the HIFA Waiver refinances MHSP funds, it is the desire of the Department to focus on increasing benefits to that population should the additional benefit not be necessary for children under 150% of FPL. However, there are other options listed below for your consideration. Please remain aware that shifting HIFA waiver funding from optional groups (i.e. the children with the CHIP benefit mentioned above) to an expansion population (i.e. MHSP individuals) could adversely impact the budget neutrality of the waiver. Specific proposal to shift significant funding to an expansion group should be analyzed on a case-by-case basis. Please contact me at 444-4084 with any questions.

- Uninsured Mental Health Services Plan (MHSP)
 - Increase the monthly prescription drug limit (currently \$425 per month). If this option is chosen, it would apply to all MHSP individuals, including those not enrolled in the waiver. This could adversely impact the waiver by shifting state funds from waiver enrolled MHSP individuals to non waiver MHSP.
 - Increase the physical healthcare benefit (currently set at an average of \$166 per month).
 - Increase the current \$200,000 waiver total for MHSP inpatient acute psychiatric services.
 - Provide wrap-around services for MHSP participants who are insured but lack certain coverage (i.e. Dental, Denturist, Eyeglasses).

A primary objective of a HIFA waiver is to expand health care coverage to the uninsured. Increasing the waiver funding devoted to MHSP might reduce the number of individuals for whom we provide new health care coverage, making the proposal less appealing to CMS.

- Increase the Developmental Disability waiver slots for children who age out of Part C benefits and are not yet eligible to receive benefits through school programs (children age 4 to 6).
- Expand Waiver to serve new populations
 - Cover working Adults age 18 – 22 with the three physical health options.
 - Provide a limited prescription drug coverage for fixed number of uninsured Montanans up to 200% FPL who are not eligible for Partnership for Prescription Assistance Programs or employer based insurance.
- Uninsured SED Youth 18-20 formerly in Foster Care
 - Increase the \$4,500 transitional mental health services limit.
 - Raise the age limit to 22 for employed SED Youth.
 - Raise the age limit to 22 for those attending college or secondary school. Provide limited wrap-around coverage to insurance offered by the institution.
- Increase the physical healthcare benefit (currently set at an average of \$166 per month) for the uninsured Working Parents of Children with Medicaid.



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EXHIBIT 3
DATE 2-5-07
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Health and Human Services Committee

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